

AMENDED IN SENATE APRIL 9, 2014

AMENDED IN SENATE MARCH 26, 2014

**SENATE BILL**

**No. 923**

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**Introduced by Senator Pavley**  
**(Coauthors: Senators Correa and Wyland)**

January 29, 2014

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An act to add Article 2.3 (commencing with Section 33135) to Chapter 2 of Part 20 of Division 2 of Title 2 of, the Education Code, relating to educational apprenticeships, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 923, as amended, Pavley. Educational apprenticeships: Educational Apprenticeship Innovation Act.

Existing law establishes the office of the Superintendent of Public Instruction, and specifies that the Superintendent is the ex officio Director of the State Department of Education. Under existing law, the State Department of Education administers numerous programs relating to elementary and secondary education.

This bill would enact the Educational Apprenticeship Innovation Act, pursuant to which a competitive grant, known as the Educational Apprenticeship Innovation Prize (EdPrize), would be awarded to applicant school districts, county offices of education, charter schools, and community college campuses for purposes of promoting apprenticeships, preapprenticeships, and career pathways among local educational agencies, institutions of higher education, and businesses of importance to local economies.

The bill would require the Superintendent to convene a committee, with designated membership, to establish criteria for awarding the

EdPrize grants and administer the grant program. The bill would specify certain minimum criteria to determine the competitive value of an application for the grant. The bill would specify the amounts of the first, 2nd, and 3rd place annual grants.

The bill would specify certain responsibilities of grant recipients, including the formation of a committee to survey and evaluate local skilled workforce needs, the employment of a supervisor to evaluate business workforce needs and pupil outcomes, and the submission of an annual report to the State Department of Education and the legislative education policy committees.

~~The bill would appropriate \$10,000,000 from the Career Pathways Trust Fund to the State Department of Education for the funding of grants issued pursuant to the Educational Apprenticeship Innovation Prize program established under the bill.~~

*The bill would make the Educational Apprenticeship Innovation Act operative only in fiscal years for which funds have been appropriated by the Legislature expressly for purposes of the act, as provided.*

Vote: majority. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) As reported by Governing Magazine, the United States
- 4 Bureau of Labor Statistics reported that the unemployment rate of
- 5 Californians between 16 and 24 years of age stood at 20.2 percent,
- 6 which is the fourth highest in the nation.
- 7 (b) This high youth unemployment rate has affected young
- 8 people who either have not yet earned or will not earn a college
- 9 degree particularly hard, as the lack of opportunity can prevent
- 10 these young people from fully participating in society, thus
- 11 increasing costs for local and state agencies due to increased
- 12 reliance on social welfare and public safety resources.
- 13 (c) This lack of opportunity is likely to increase, as, according
- 14 to a study by Opportunity Nation, 60 percent of all jobs will require
- 15 at least an associate's degree by 2018.
- 16 (d) Thousands of jobs across multiple, vital industrial sectors
- 17 have gone unfilled due to a shortage of well-trained skilled
- 18 workers, resulting in losses in productivity, costs to employers and

1 the public sector, and an overall erosion of the California and  
2 national economy.

3 (e) According to a study by the Society for Human Resource  
4 Management, 70 percent of California businesses across different  
5 economic sectors stated that it was either somewhat difficult or  
6 very difficult to fill certain positions, mostly due to applicants  
7 lacking the skill sets needed to complete work tasks and  
8 responsibilities.

9 (f) With a large percentage of the skilled workforce approaching  
10 retirement age, the local, state, and national economies will be  
11 facing an even greater skills gap than that which exists today.

12 (g) The dual needs of ensuring that young people are given the  
13 opportunity to learn vital job skills and succeed professionally and  
14 that our businesses have a large pool of skilled workers to fill  
15 current and future workforce needs are relevant and interconnected  
16 with each other.

17 (h) Local California educators, communities, and businesses  
18 have long recognized this relevance and interconnectedness, have  
19 experimented on a small scale with different models, and have  
20 taken inspiration from the programs developed in other states like  
21 Massachusetts and countries like Switzerland and Germany.

22 (i) Apprenticeships, preapprenticeship programs, and other  
23 forms of work-based learning provide opportunities for pupils to  
24 explore and begin careers in some of the fastest growing economic  
25 sectors in the state, such as advanced manufacturing, computer  
26 technology and IT services, energy efficiency, clean technology,  
27 nursing and health care services, entertainment, the culinary arts  
28 and hospitality, and banking and financial services.

29 (j) The current and future generations of Californians must be  
30 given the opportunity to work and find avenues to gainful  
31 employment in industrial areas relevant to their local communities  
32 and in order to help them pursue a productive and satisfying future.

33 (k) The State of California, local communities, industry, and  
34 youth would benefit from enhanced opportunities for students to  
35 begin training for high-skill, high-wage jobs while enrolled in high  
36 school.

37 (l) Preparing future generations for career placement and  
38 workplace instruction is best determined by institutions of primary,  
39 secondary, and postsecondary education working in conjunction  
40 with local business, labor, and civic leaders.

1 SEC. 2. Article 2.3 (commencing with Section 33135) is added  
2 to Chapter 2 of Part 20 of Division 2 of Title 2 of the Education  
3 Code, to read:

4  
5 Article 2.3. Educational Apprenticeship Innovation Act  
6

7 33135. This article shall be known, and may be cited, as the  
8 Educational Apprenticeship Innovation Act.

9 33135.5. (a) There is hereby established the Educational  
10 Apprenticeship Innovation Prize (EdPrize) for purposes of  
11 promoting apprenticeships, preapprenticeships, and career pathways  
12 between local educational agencies, institutions of higher  
13 education, and businesses of importance to local economies. Grants  
14 allocated for the EdPrize shall be distributed on a competitive  
15 basis.

16 (b) The Superintendent shall convene a committee to establish  
17 criteria, in addition to those listed in subdivision (c), for awarding  
18 the EdPrize grants and administer the program. The members of  
19 the committee shall serve at the pleasure of the appointing  
20 authority, and shall include all of the following:

21 (1) The Superintendent, or his or her designee, who shall serve  
22 as the chairperson.

23 (2) A member appointed by the Senate Committee on Rules.

24 (3) A member appointed by the Speaker of the Assembly.

25 (4) A member appointed by the Chief of the Division of  
26 Apprenticeship Standards of the Department of Industrial Relations.

27 (5) A member appointed by the California Workforce Investment  
28 Board.

29 (6) A member appointed by the Board of Governors of the  
30 California Community Colleges.

31 (7) Both of the following members, appointed by the  
32 Superintendent:

33 (A) A representative of an organization representing school  
34 administrators.

35 (B) A representative of the California School Boards  
36 Association.

37 (c) The committee shall use, at minimum, all of the following  
38 criteria to determine the competitive value of an application:

39 (1) The ability of the proposed program to provide at least two  
40 years of apprenticeship, preapprenticeship, or other forms of

1 workforce training to eligible high school pupils in grades 11 and  
2 12 or the ability to provide eligible high school pupils with a career  
3 and educational pathways to a campus of the California Community  
4 Colleges.

5 (2) The ability to place eligible high school pupils in  
6 apprenticeships, preapprenticeships, internships, and workplace  
7 learning environments in fields determined to be of local economic  
8 importance, as determined through data and evidence-driven  
9 analysis.

10 (3) The ability of the proposed program to provide eligible high  
11 school pupils with the opportunity to work in an economic sector  
12 with gainful employment opportunities or academic pathways that  
13 lead to either a certificate or an associate degree.

14 (4) The ability of the proposal to address the needs of the local  
15 or regional labor market and help competitive and emerging  
16 industry sectors and industry clusters, or to address the state's need  
17 to fill skills gaps and skills shortages in the economy, including  
18 skills gaps and shortages at the regional level.

19 (5) An assessment of the past performance of the applying  
20 entities if the agency has been awarded other economic and  
21 workforce development grants or other state grants, including an  
22 assessment of whether the grantee's previous awards produced  
23 project deliverables specified in prior grant applications.

24 (6) The ability to create a written agreement among the applicant  
25 entities, the participating eligible high school pupils or their  
26 parents, and participating employers in order to ensure commitment  
27 to the pupil's academic and professional success, and ensure the  
28 successful completion of the apprenticeship, preapprenticeship,  
29 work-based learning program, or educational pathway.

30 (7) The ability to provide participating eligible high school  
31 pupils with a worksite mentor to help train, guide, and supervise  
32 the pupil.

33 (d) Grants allocated pursuant to this section shall be distributed  
34 over a five-year period in the following amounts:

35 (1) First place grant recipient: seven hundred fifty thousand  
36 dollars (\$750,000) per fiscal year. No more than one applicant  
37 shall receive the first place grant in any fiscal year.

38 (2) Second place grant recipients: three hundred seventy-five  
39 thousand dollars (\$375,000) per fiscal year. No more than two  
40 applicants shall receive the second place grant in any fiscal year.

(3) Third place grant recipients: one hundred twenty-five thousand dollars (\$125,000) per fiscal year. No more than four applicants shall receive the third place grant in any fiscal year.

(e) Grants allocated pursuant to this section shall be used to support the instructional, material, labor, regulatory, and administrative costs of the apprenticeship, preapprenticeship, work-based learning, or educational pathway. During the first fiscal year of allocation, grants allocated pursuant to this section may be used for planning purposes or to establish and formalize partnerships among the applicant entities, local businesses, and postsecondary educational institutions.

33136. (a) An entity applying for funding pursuant to Section 33135.5 shall be required to form a committee to survey and evaluate local skilled workforce needs. This committee shall include all of the following: representatives of business organizations, a representative from the local Workforce Investment Board in whose territory the school is located, a representative of the local county office of education, representatives from the faculty and administrative staff of local elementary, secondary, and postsecondary educational institutions, a member to represent parents, and a member to represent pupils.

(b) Upon receiving grant funding through the EdPrize program, the applicant entity shall employ a supervisor to evaluate business workforce needs and pupil outcomes. The supervisor shall be responsible for all of the following:

(1) Making recommendations for coordinating the curriculum and pupil services in a way that addresses business workforce needs and maximizes pupil outcomes.

(2) Ensuring the transferability of course credits and adherence to statewide standards.

(3) Establishing an outreach program for pupils in grades 8, 9, and 10.

(4) Ensuring that the curriculum includes coursework that is applicable to a certificate program, or to a two-year degree program.

(c) A recipient of grant funding pursuant to this article shall submit a report to the department, the Senate Committee on Education, and the Assembly Committee on Education annually during the lifetime of the grant. These reports shall include, but not necessarily be limited to, information on all of the following:

1 (1) Apprenticeships, preapprenticeships, and work-based  
2 learning programs the applicant entities offered, the economic  
3 sector and targeted workforce need, and the participating employer  
4 or employers.

5 (2) An assessment of the educational and training goals, the  
6 projected numbers of pupils and workers served and the projected  
7 rates of course and program completion, and the projected wages  
8 and rate of employment placement for those entering the labor  
9 market.

10 (3) An assessment of the purported beneficial impacts on  
11 participating businesses, which may include a review of the grant's  
12 purported impacts on either of the following: increased labor  
13 productivity or personnel or workforce needs addressed through  
14 the apprenticeship, preapprenticeship, or work-based learning  
15 program.

16 (4) An assessment of the educational attainment of the pupils  
17 served, including the percentage who earned a certificate or  
18 associate's degree, transfer-readiness, and the projected rate of  
19 skills attainment for certificates and degrees.

20 (5) The long-term viability of the apprenticeship,  
21 preapprenticeship, work-based learning program, or educational  
22 pathway established under this article, ability to attract material,  
23 in-kind, or financial support from private and philanthropic sources,  
24 areas for improvement, and possible expansion into other economic  
25 sectors of local importance.

26 33136.5. As used in this article:

27 (a) "Eligible high school pupil" means a pupil in grade 11 or  
28 12 who has passed, or is exempt from, the high school exit  
29 examination administered under Section 60851 and is satisfactorily  
30 meeting the requirements of Section 51225.3.

31 (b) "Entity" means a school district, county office of education,  
32 charter school, or campus of the California Community Colleges,  
33 applying for funding under this article.

34 *33137. This article shall be operative only in fiscal years for*  
35 *which funds have been appropriated by the Legislature expressly*  
36 *for purposes of this article, including, but not limited to, any funds*  
37 *remaining from the California Career Pathways Trust established*  
38 *pursuant to Chapter 48 of the Statutes of 2013, as determined by*  
39 *the department, or other state, federal, or private sources of*  
40 *funding.*

1 ~~SEC. 3. The sum of ten million dollars (\$10,000,000) is hereby~~  
2 ~~appropriated from the Career Pathways Trust Fund to the State~~  
3 ~~Department of Education, without regard to fiscal year, for the~~  
4 ~~funding of grants issued pursuant to the Educational Apprenticeship~~  
5 ~~Innovation Prize program established pursuant to Article 2.3~~  
6 ~~(commencing with Section 33135) of Chapter 2 of Part 20 of~~  
7 ~~Division 2 of Title 2 of the Education Code.~~

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